

VZCZCXYZ0000
PP RUEHWEB

DE RUEHKG #1400/01 2571310
ZNY CCCCC ZZH
P 141310Z SEP 07
FM AMEMBASSY KINGSTON
TO RUEHC/SECSTATE WASHDC PRIORITY 5339
INFO RHMFISS/CDR USSOUTHCOM MIAMI FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L KINGSTON 001400

SIPDIS

SIPDIS

DEPT PASS TO USAID
FOR LAC ASSISTANT ADMINISTRATOR PAUL BONICELLI
TREASURY FOR INTERNATIONAL AFFAIRS ASSISTANT SECRETARY CLAY
LOWERY
DEPT FOR WHA - ASSISTANT SECRETARY SHANNON
INL - ACT. ASSISTANT SECRETARY SCHWEICH
EEB - ASSISTANT SECRETARY SULLIVAN
FROM AMBASSADOR JOHNSON

E.O. 12958: DECL: 09/14/2017

TAGS: [PREL](#) [PGOV](#) [ECON](#) [SNAR](#) [EFIN](#) [ETRD](#) [EAID](#) [MASS](#) [SOCI](#)

JM, XL

SUBJECT: JAMAICA: A SUGGESTED U.S. AGENDA WITH THE NEW
GOVERNMENT

REF: KINGSTON 1369 (071956Z SEP 07)

Classified By: AMB. BRENDA L. JOHNSON, REASONS 1.5 (B) AND (D)

1.(C) The election of Bruce Golding as the new Prime Minister of Jamaica represents a watershed in the country's politics, ending 18 consecutive years of rule by the People's National Party (PNP). Although cooperative with the U.S. on key issues of mutual concern (drug trafficking, disaster relief), the successive PNP governments have taken a generally negative line on broader U.S. foreign policy goals, including Haiti and Iraq, and have aligned themselves mostly with the G-77 (which Jamaica headed under P.J. Patterson during his later years as Prime Minister) on UN voting. Golding has articulated a much more cooperative posture with the U.S. and has told me that Washington & has a friend⁸ in Jamaica now. The election of Golding and the Jamaica Labour Party (JLP) in Jamaica runs counter to the broader drift of recent elections in the hemisphere toward less pro-U.S. leaders (Ecuador, Bolivia, Nicaragua).

2.(C) Although Jamaica is a small country by hemispheric standards, it looms large within the English-speaking Caribbean. Potentially, Golding could help steer CARICOM toward more free market oriented economic and trade policies, and a more U.S.-aligned foreign policy. The new government, however, will face a number of serious challenges at home as it takes office (septel). Aware that pressing global priorities elsewhere limit the possibilities for new direct U.S. assistance, I nevertheless believe there are many ways we can extend an open hand to the new government through closer policy engagement and coordination. The following are some of our ideas on a U.S. agenda with the new Jamaican government. These ideas are in addition to our follow-up on deliverables for the Conference on the Caribbean, per State 126663, and in addition to proposals for reconstruction assistance in the wake of Hurricane Dean. We would welcome feedback and an indication of those areas in which Washington believes we could engage and be helpful to Golding and his team. We are prepared to provide more detailed thoughts on the suggested areas of cooperation if requested.

Economic Reform & Growth

3.(C) Getting the sluggish Jamaican economy moving is a

central theme of Bruce Golding's election campaign. Ways we might be able to help:

--Arrange an early visit by a senior U.S. economic policy official, perhaps EEB Assistant Secretary Sullivan, to identify ways we could help mobilize technical and policy support from bilateral and multilateral sources for more effective debt management by the GOJ, and creation of a plan to loosen the current fiscal straightjacket;

--Encourage the International Financial Institutions (IFIs) to engage on the debt problem and to identify micro-economic reforms in Jamaica that could spur economic growth, providing technical assistance and policy support. (The JLP has indicated it intends to engage much more closely with the IFIs than did the PNP governments, which labored under ideological suspicions about these institutions);

--Encourage international donors to increase resources and coordination with GOJ and private sector to promote economic growth, in view of the progressive philosophy of the new government and the need for improved growth to make social programs sustainable;

--Examine and seek to promote social and physical infrastructure projects that would have positive real rates of return and would be good prospects for IFI financing;

--Encourage GOJ engagement with the Millennium Challenge Corporation, with a view to seeking threshold status by fall 2008. (With a gross national income (per capita) of \$3400, Jamaica is near the upper end (currently \$3595) of the World Bank's lower-middle-income tier and at current growth rates may cease to qualify next year as a MCA candidate country. Jamaica's main problems from an MCA standpoint) corruption,

fiscal policy, inflation, and underinvestment in health and education) relate to a fundamental need to restructure its fiscal policy. If the new Jamaican government were to show a significant commitment to improve performance on these eligibility requirements, Jamaica could qualify for the MCC's threshold program.);

--To deal with its tight budget constraint, recommend GOJ explore privatizing state assets that should be in private sector, and downsize the bureaucracy;

--Drawing on experiences elsewhere in the hemisphere, seek to identify means by which Jamaica could harness inflow of remittances for productive uses, e.g. micro-credit facilities, community development and support for educational activities;

--Encourage the Jamaican private sector to take a major leadership role in supporting serious reforms, avoiding rent-seeking behavior, and becoming more active in under-served communities by establishing businesses and providing employment;

--Urge GOJ to team up with T&T to take more pro-free trade posture in CARICOM, which could increase their transition to a service-based economy and lead to more constructive engagement with the Doha Round, FTAA, and possible bilateral trade talks with the U.S.

--Suggest that the GOJ provide economic incentives to the private sector to establish businesses and provide employment in underserved/inner-city communities.

--If additional funds could be secured, revisit current USAID plans to end economic growth program next year and discuss areas for support, e.g. analysis of monetary and fiscal policy and public expenditure, debt management strategies, and tax reform.

Investing in People

4.(C) Jamaica is underperforming on all of its investing in people indicators per MCC criteria. We should encourage the GOJ as follows:

Health

--increase the overall government expenditure on health to achieve at least a 3.66% expenditure rate per MCC;

--The Jamaican Ministry of health (MOH) should improve support for youth by: a) restructuring the MOH and creating a point-position for youth advocacy that can work with other departments, b) continuing to offer youth access to health care free of charge; and c) continue community mobilization efforts to reach youth and other vulnerable groups, including out-of-school youth;

--Save health funds by consolidating data collection (KAPB, RHS, etc.);

--Bring strong political will to address issues of stigma and discrimination associated with HIV/AIDS and consider adopting anti-stigma legislation and develop a long-term sustainability strategy for the HIV/AIDS and Malaria programs;

Education

--Encourage the mandatory/compulsory education up to secondary school level, eliminate multi-grade classrooms, standardize core/fundamental textbooks in grades 1-3 to alleviate procurement of additional texts and reduce education costs overall, and adopt gender-specific approaches to education;

--Improve quality of schools in neighborhoods while simultaneously adopting policies that encourage/require children to go to school near where they live rather than

traveling long distances to school. This increases parent and community involvement, reduces overall transportation costs and traffic in Jamaica, improves student health, and reduces the overall cost of education;

--Support out-of-school youth by providing trained teachers to NGOs who deliver literacy and numeracy training in organized institutional settings for out-of-school youth;

--Utilize schools space before and after hours by setting up breakfast programs for children, &for pay8 after school care and homework clubs, and &for pay8 community courses on parenting;

--Consider eliminating the GSAT as a means of placement of students. This is an expensive program which, while serving some, ultimately &dumps8 under performers in all age schools and influences drop-out rates and deviant behavior, especially among boys.

Corruption

5.(C) Bruce Golding has identified dealing with corruption as one of his key objectives. It has also been one of ours, working closely with our UK and Canadian colleagues. Some ideas on next steps:

--Transparency: work with Mexico and Canada (perhaps a NAFTA initiative) to suggest a program similar to the PAN's IFAI program under Fox and Calderon, which opened the public books etc. to public scrutiny

--Establish as a goal that all senior Jamaica Constabulary Force (JCF) officers and all officers in sensitive positions should be vetted, or asked to resign. Combine this with increase in salary, benefits if funding source can be

identified (suggest planned three-year EU budget support funding be used for this. Note: This may require changes in the JCF and Police Services Commission Act);

--Provide wider support to the Anti-Corruption Division and clarify the division of its mandate vis a vis the Professional Standards Branch of the JCF to ensure the most effective use of JCF resources to deal with professional misconduct and police corruption, and to begin to perform risk analysis management;

--Give oversight authority for government contracting adequate staff and an independent budget and provide it with real teeth to deal with conflicts of interest;

--Strengthen the various arms established to deal with corruption by providing adequate staff and independent budgets, including Auditor General, Contractor General, Deputy Public Prosecutor (DPP), and the Access to Information, and Corruption Commission. Permit data sharing between these institutions and the Financial Investigative Division (FID), Anti-Corruption Division and Office of the Public Prosecutor to enable these organizations to investigate and, if warranted, prosecute public officials for financial crimes and corruption.

Crime and Justice

6.(C) Violent crime is a cancer on Jamaican society, and it is essential that the new GOJ begin to make inroads on the problem soon. These ideas are closely related to the anti-corruption agenda discussed above:

--Ensure rapid and effective implementation of Proceeds of Crime Act and other key legislation;

--Support development of digital databases that can be accessed island wide and also by allies (fingerprints, etc.) This will require some money and training;

--Encourage Canada to step up justice reform efforts, get DOJ more involved with supporting resources for justice reform;

--Work with new GOJ to establish standard procedures for the extradition of dangerous criminals to the U.S. Encourage the GOJ to extradite as many as possible, to ease strain on and corruption of judicial system here;

--Support for JCF in areas such as improved information management systems, continued roll-out of community policing, service delivery, and multi-stakeholder and multi-disciplinary approaches to crime and gang violence prevention through social programs especially targeted towards at-risk youth.

Defense

7.(C) The Jamaican Defense Force (JDF) has as its main roles the safeguarding of Jamaican sovereignty, the main threat to which is international crime and drug trafficking, and dealing with natural disasters such as hurricanes. In both of these roles, JDF's mission directly relates to U.S. priorities in the region and is worthy of our continued support. We anticipate a hand-over to a new JDF Chief of Staff in the near future, and we believe that we have an opportunity to have a more immediate and beneficial impact with his replacement, and to increase JDF orientation toward U.S. goals and objectives in the region.

Some proposed U.S. actions in this regard:

--Sustain and defend the Secretary's request to restore FMF funding for Jamaica in FY 09 and encourage greater participation by Jamaica in regional exercises which can provide training and other opportunities to enhance the

capabilities of the JDF;

--Readdress our proposed Status of Forces Agreement (SOFA), which the PNP government basically shelved earlier this year.

Although we have good interaction now, a SOFA or SOFA- like agreement would make it much easier for Jamaica to host a large exercise that would highlight its role as a regional leader and its professional military. It would also increase our ability to respond quickly in the event of natural disasters such as a major or catastrophic hurricane;

--Express to the new government that we hope to continue the close working relationship we have with the JDF. Highlight the fact that Jamaica is ranked number 6 for IMET funding in the entire LATAM/Carib region) including countries like Colombia, Brazil, Argentina, etc.) all with larger militaries. This is in recognition of our strong ties with Jamaica, its professional military, and its role as a regional leader for security issues;

--Encourage the GOJ to support some U.S. regional or global stability initiative, ideally with JDF participation. Concrete support for a peacekeeping operation would be an option, knowing that Iraq or Afghanistan would be very difficult for them to support. JDF capabilities are quite limited, but a symbolic role would increase Jamaica's stake in supporting international stability and make it easier for us to support the JDF.

JOHNSON